(vi) The **irrigation** component of Bharat Nirman envisages creation of irrigation potential of 10 million hectares through major and medium irrigation projects and minor irrigation schemes. Projects for creation of irrigation potential under Bharat Nirman are implemented by the State Governments. State Governments have been advised to include Gram Sabhas and Panchayati Raj Institutions, Particularly in minor irrigation schemes and water-shed development.

Rural Business Hub Scheme

501. SHRIMATI MOHSINA KIDWAI: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether the Rural Business Hub (RBH) scheme has been jointly launched by the Confederation of Indian Industry (CII) and his Ministry in the State of Uttar Pradesh;

(b) if so, the salient features of this scheme;

(c) whether it is one of the objectives of RBH to involve the industry in the improvement/refinement of locally available resources like stitching of chikan garments and produce international-quality products; and

(d) if so, how many villages have been included in this scheme?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): (a) to (d) Yes, Sir. The Ministry of Panchayati Raj is actively pursuing the lead role suggested by Hon'ble Prime Minister on taking the benefits of rapid economic development to the rural areas of the country through the Rural Business Hubs (RBH) Scheme. In June 2004, while addressing the very first conference of Chief Ministers on the subject "Poverty Alleviation and Rural Prosperity through Panchayati Raj", the Hon'ble Prime Minister has stated that "Panchayat Raj" is the medium to transform rural India into 700 million opportunities. The key instrument for integrating economic reforms with institutional reforms in the countryside is Gandhiji's goal of "Poorna Swaraj" through "Gram Swaraj". In November 2004, the Ministry of Panchayati Raj organized a National Presentation of RBH which was attended by 1000 representatives of Panchayats and 200 representatives of Confederation of Indian industry (CII). A Joint RBH Council under the Co-Chairmanship of Minister of Panchayati Raj and the then President of CII was set up at the national level. State RBH Councils have been set up in 15 States. The objective of RBH initiative is to promote RBHs across the country by bringing to the attention of business houses, both in the public and private sectors, the unique products of skills in each development block deriving from local resource endowment. In consultation with State Government and Panchayats, the Ministry of Panchayati Raj has identified local resources and skills in more than 1000 development blocks of the country. The Ministry of Panchayati Raj is thus attempting to develop and promote Public-Private-Panchayat Partnership in which the Panchayats will facilitate convergence of extant schemes of State and Central Government, together with initiatives of Panchayats, financial institutions and promotional bodies. This will help develop a holistic and integrated partnership between decentralized rural production units and larger corporate entities.

This initiative by the Ministry of Panchayati Raj and Confederation of Indian Industries (CII), Rural Business Hub Scheme works on win-win relationship between rural producers and members of industry, facilitated by the Panchayats. It aims to foster and permeate economic growth into and for rural India. The concept is based on "Participatory development model" and draws inspiration from many successful models such as Thai experience of One-Tambon-One Product (OTOP) model, OITA prefecture model of Japan and TVEs model of China, etc.

Pilot Projects based on this model can be partly funded by the Ministry of Panchayat Raj under the Central Sector Scheme on Rural Business Hubs that was approved in August, 2007. The allocation for this scheme for the 11th Plan period is Rs.24.90 crores and allocation for 2008-09 is Rs.2.00 crores. Under the Scheme, MoPR can provide limited financial support to the pilot projects for availing services of professional facilitators and to bridge the critical gaps in infrastructure.

The salient features of RBH Scheme are:

- It seeks to link rural producers with the wider market through a marketing partner and developing this as an integrated business relationship benefiting both sides and therefore, sustainable.
- Panchayats, the grass-roots democratic institutions, may prepare plans based on local resource endowments, felt needs of people and relative absorptive capacity and implement them. The PRIs can also partner with commercial entities and NGOs for developing the rural business hubs.
- The RBHS are based on economic activity that is appropriate for the area;
- It is suited for agriculture/horticulture/handloom/handicrafts related activities, where roduction is decentralized;
- It helps generate rural employment and developing livelihood opportunities.

Under the RBH Scheme, any economic activity can be promoted that can improve incomes in the area. This can even include embroidery, stitching of garments, etc.

The scheme is applicable for all areas of the country including Uttar Pradesh. However, under the Central Sector Scheme on RBH, funding support is available only in districts covered under BRGF. Except in the seven North East States where all districts are covered. So far, 169 MoUs have been signed between the Panchayats and business partners for setting up RBH5. Of these, nine are located in Uttar Pradesh.

M/s. Kalatmak Handicraft SHG Foundation, Lucknow, have established a RBH for **Hand Embroidered Chikan Products** in Hardoi, Uttar Pradesh, Establishment of RBH for Uttar Pradesh has been sanctioned for M/s Jaipur Rugs Foundation (for Carpet Weaving) in Sone Bhadra, M/s. Myana Gramodyog Seva Sansthan (organic farming and vermi compost) and M/s. Alacrity Exports for Bead and Embroidery, both in Etah.